

ADJOURNED MEETING CITY COUNCIL
November 9, 2020

The City Council of the City of Albemarle met in an adjourned session focusing on strategic budget planning on Monday, November 9, 2020 at 4:00 p.m. in the Stanly County Senior Center. Mayor Ronnie Michael and the following Councilmembers were present, to-wit: Mayor Pro Tem Martha Sue Hall and Councilmembers Bill Aldridge Chris Bramlett, Martha E. Hughes, Shirley D. Lowder, Dexter Townsend, and Christopher Whitley.

The following City of Albemarle staff attended:

- Michael J. Ferris – City Manager
- Nyki Hardy – Assistant City Manager
- Britt A. Burch – City Attorney
- Cindy Stone – Clerk/Assistant to the City Manager
- Keith Tunnell – Economic Development Director
- Chief T. Pierre Brewton – Fire Department
- Colleen Conroy – Finance Department Director
- Jacob Weavil – Assistant Director Finance Department
- Dana Chaney – Human Resources Department Director
- Owen Squires – Information Systems Department Director
- Lisa Kiser – Parks and Recreation Department Director
- Kevin Robinson – Planning and Development Services Director
- Chief David Dulin – Police Department
- Judy Redwine – Public Utilities Department Director
- Ross Holshouser – Public Works Department Director

Also present were Benton Dry, Councilmember-At-Large-Elect and Carmen Randall, Executive Director of Uwharrie Marketing Association.

Facilitating the session or presenting were:

- Geraldine Gardner – Executive Director, Centralina Regional Council
- Emily Parker – Senior Planner, Centralina Regional Council
- David Cheatwood – Managing Director, First Tryon
- Will Allum - First Tryon

Introduction and Meeting Overview

City Manager Michael J. Ferris opened the session by welcoming everyone and briefly summarizing the intent of the meeting.

Geraldine Gardner from Centralina Regional Council (CRC) began with an overview of the agenda, ground rules review and a summary of how the meeting would proceed.

Mid-Year Reflections and New Opportunities for FY 22

City Manager Presentation – Priority Areas Update

Mr. Ferris presented an update to the group on where the City currently fares in implementing priority area/opportunity investment items in the current fiscal year, and what could be implemented in Fiscal Year 2021-22. The presentation was based on material provided to all attendees.

Items discussed were categorized by the following priority areas defined in the FY 2020-21 strategic planning process: Talent & Compensation Management; Organizational Capacity; Safety & Security; Infrastructure; Community & Economic Development; and Multigenerational Engagement.

Highlighted items Mr. Ferris summarized for FY 2020-21 included:

- Pay Compensation Study – Vendor review will be completed by the end of 2020 with the expectation that it will come in front of Council in early 2021.
- Public Information Officer (PIO) – The City is under contract with Uwharrie Marketing Association (UMA) in order to advance Albemarle’s image and brand as a city and community, as well as build and strengthen media relationships with both local and regional media to bring positive exposure to our community. The City also will utilize UMA to manage communications for the community survey. So far UMA has spearheaded the new Police Headquarters video tour and created several social media posts for the City and a City Instagram account. This contract will not replace the need for a PIO.
- Extrication and Confined Space Rescue Equipment – Both types of equipment purchases were in line with the department’s top equipment needs. The extrication equipment purchase should be complete this fiscal year while the confined space equipment will be delayed until it can be coordinated with training.
- Data Backup Storage System – This purchase has been completed. The City’s warehouse is the new location for the system.
- Offsite Data Storage – Starting process to determine appropriate vendor.
- Antiviral/Anti-Malware Software – These were consolidated into a single vendor.
- Downtown Parking Plan – The first 2 phases have been completed, and there are plans for parking enhancements on West North Street and Pee Dee Avenue. The City is focusing on staying ahead of demand, considering alternatives, and looking for the highest and best use.
- Pavement Maintenance – The next fiscal year’s list is under review by Public Works staff. The expectation is to present the list to Council by the end of the calendar year.
- EE Waddell Center Improvements – The floor replacement for the weight room is complete, and the roof replacement is underway.
- Albemarle Business Center – There will be a special meeting to discuss further development in the near future.

- Code Enforcement Officer – Planning and Development Services, along with HR, is finalizing a candidate currently.
- Hosting events at the Albemarle Neighborhood Theater (ANT) – This venue came on line right before the pandemic hit, which put many events on hold. However, now that indoor venues can open back up in Phase 3 of the state’s reopening plan, events will resume soon at 30% capacity.

Mr. Ferris discussed key items for consideration in FY 2021-22 which included:

- Pay Compensation Study – Depending on cost and financial resources, this could be implemented all at once, or over the next 3 years.
- Firefighters – The addition of 3 firefighters. This will increase safety of personnel and allow a ladder truck to be regularly staffed and help the Department move toward the ideal staffing with people in each position on structure fires.
- Fire Engine – This will replace the 2006 vehicle at Station 2.
- Ladder Truck – The refurbishment of this unit is estimated to cost less than \$100,000 which will help address other priority areas noted above.
- Stormwater Management Program – The City will retain an engineering firm to help establish and structure the program.
- Roof Repair on Former Fire Station – The City will evaluate options after rehab. Possible ideas include a City storage area or a wellness center for City employees.
- Moss Springs Pump Station Replacement – This needs to occur for efficiency and reliability.
- Streetscape Plan – Staff have continued to work with Arnett-Muldraw on a wayfinding plan and expect that the plan would come in front of Council for review in the 1st quarter 2021.
- Family Life Center – This will increase residents’ service programs for Public Housing.

Mr. Ferris responded to questions from Council which included:

- What is the Family Life Center? It was a service center for Public Housing residents at Amhurst Gardens which was taken offline some years ago. The plan is to build a new one.
- Are the priorities for FY 2021-22 assumptions from the current fiscal year’s priorities? Today is just recapping information about priorities set by Council for the current year. Staff will work on emergent categories and that will be shared with Council. The priority areas will not change but investment opportunities will change.
- Will FY 2021-22 priority areas include capital items? Yes.
- Is the ABC still a priority for Council? Yes it is and there will be a meeting before the year ends to define steps to move forward.
- What is the timeline for the pay compensation study? The study should be completed by the end of January 2021 and in front of Council for consideration in spring 2021.

- Are there ongoing needs for Fire Department equipment and staff? Yes – there will be needs over the next 3 years.
- Per the pay compensation study, will cost of living be considered? Yes.
- Per the Public Information Officer position, is Uwharrie Marketing Association (UMA) filling that role? The contract with UMA will not fulfill the job title, but will help the City with public relations activity. Currently there is not enough funding to fill that role full-time.
- Is there news on the code enforcement officer position? There is a candidate going through final phases of hiring.

Comments from Council members included:

- Councilmember Bramlett: Related to the parking plan, moving forward staff should look for all available downtown parking to develop (on and off street/public and private). Also homeowners should be approached in order to maximize parking space.
- Councilmember-elect Dry: Related to the stormwater management plan, this will be an important time to address some of the issues raised by citizens and be responsive.

Ms. Gardner asked Council if there were any “cautions” on items discussed thus far. Councilmember Bramlett noted that Albemarle should be known as the “service” City and that residents should be made aware of our customer service emphasis. Councilmembers Aldridge and Townsend thought that City staff do get positive comments from residents, such as the recent power outage and quick restoration of power by the Public Utilities Electric Division. The biggest “disconnect” might be in the area of County inspections where residents and businesses think that the City’s Planning and Development Services Department does it but really it’s a County service.

Councilmember-Elect Dry noted that there is an emphasis on downtown revitalization and that’s a good thing. It is Council’s responsibility though to hear what is going on. He stated that there should be a smooth transition in taking incoming investments and opening “brick and mortar” stores and businesses to create a positive atmosphere not only for local business, but also for other businesses wishing to locate and/or invest here. The City is in competition with other surrounding local communities. Economic Development Director Keith Tunnell responded by confirming that Albemarle is competing not only locally, but with surrounding states and internationally.

Councilmember Bramlett added that he would like to see Council and staff work on defining what they want specifically rather than generally. He requested that a list of what has been accomplished related to economic development be developed. Assistant City Manager Nyki Hardy replied that the City is moving in that direction by holding these strategic planning sessions as a method of working towards getting into specifics, such as the wayfinding plan as an example.

Councilmember Townsend stated that parts of Albemarle, such as East Albemarle, are growing but there still is work to be done. How can the City be champions for all of Albemarle? Councilmember Lowder added that the City will make things happen if we keep working on it rather than saying “we tried.”

Financial Outlook

City Manager Michael J. Ferris introduced this portion of the meeting by reviewing the City's debt service schedule and cash and investments handouts, which were distributed to attendees. He noted that for the period of FY 2016 – 2020, the City has built reserves as a result of the City Manager's intentional strategy to reduce the need for new revenues to fund Council's major priorities. The City Manager said this is a very significant achievement of which he and staff are proud, as it places the City in a better financial position and provides an opportunity to make the priorities of City Council a reality.

Mr. David Cheatwood from First Tryon gave a presentation on financial forecasting and financial impacts of decisions made in the last few fiscal years. He first reviewed projections based on unaudited financial information from the Finance Department. Trends for the General Fund balance from FY 2015-2020 show a current balance of \$8.4 million. The net change in the fund balance showed that the fund dropped down by \$1.2 million in FY 2019-2020, which could be a starting point for projecting financials in future years.

For General Fund-supported capital projects, the City is projected to incur almost \$10 million invested in projects or capital costs, with interest rates ranging between 1.5% - 4%. First Tryon used a "plug figure" to assume capital outlays spent in the current fiscal year, and projected that the cost would be around \$608,000 in FY 2021-2022, and \$750,000 annually thereafter for a number of years.

Assumptions about revenues were summarized for the upcoming fiscal year. The assumption is that there would be no growth in revenue overall based on the revenues in the current fiscal year. There would be a wash among sales and occupancy taxes, with little change projected from the current fiscal year into the next. The City Manager added that the assumption of no growth provides that the model, and financial planning, do not count on any additional revenues or new growth, and is therefore a very conservative approach.

Mr. Cheatwood summarized a model First Tryon created showing outputs based on the annual debt service requirements, as well as the impact on the unassigned Fund Balance. For the debt service model, First Tryon projected existing debt service along with projected debt service over 20 years (2020-2040). For the fund unassigned balance model, actual and projected fund balances were shown between FYs 2017-2026, with the targeted fund balance of 20% shown in relation to the annual fund balances.

Mayor Pro Tem Hall inquired of Finance Director Colleen Conroy if it was accurate that the City does not generate funds for the General Fund from Enterprise funds. Ms. Conroy confirmed this but specified that the City does allow payments in lieu of taxes.

There occurred a discussion of "revenue neutral" projections and the timeline of knowing more about tax revenue to be better able to discern tax revenue and plan for that in the budget.

Mr. Cheatwood then summarized the Water and Sewer Fund historical operating trends, supported capital projects, model assumptions, and Water and Sewer Fund project impacts.

Mr. Cheatwood took questions from Council and addressed them as follows:

- If all capital project items are to be done on this schedule, would there be a need for new revenues? There will be a review of revenues coming in for the current fiscal year before a clearer picture will emerge for FY 2021-22. If revenues and expenditures track like they did in FY2019-20, the City should still be able to grow the Fund balance.
- Could the City fund a possible college/university relocation? Possibly yes in that there are opportunities to address more than one issue at a time. The City Manager added that it could be a possibility as long as it does not dip into cash reserves.
- Are there options for adjustments, such as an inter-Fund loan for example? This is a possibility.

This concluded First Tryon's presentation.

A short dinner break occurred, followed by a working dinner exercise.

Ms. Gardner instructed the group that they would engage in a one half-hour exercise. The exercise would have Council members rotate among 6 "stations" associated with the priority areas and discuss with City Leadership Team members 2 different questions:

1. What have been the successes from this past fiscal year?
2. What are Council's ideas for priorities for the next fiscal year?

At the conclusion each group reported out.

Priority Area 1: Talent and Compensation Management

Successes:

- Improved hiring process
- Updated personnel policy
- Compensation study approved
- Leadership Group
- Employee Action Group
- Improve diversity

FY 22 Opportunities:

- Potential for fairness for compensation
- Succession planning
- Working environment
- Total rewards/value

Priority Area 2: Organizational Capacity

Successes:

- Response to COVID
- Reworking MUNIS system
- Flex work/enable to work from home
- Migration to Outlook365 and using MS Teams
- GFOH Award
- Rec Desk
- Security training

FY22 Opportunities:

- Police Department accreditation
- Ongoing training
- Document management system – Laserfiche integration
- Employee performance appraisals

Priority Area 3: Safety and Security

Successes:

- Community engagement by Police and Fire safeguarding residents
- Current leadership is good and influential creating opportunities around staff retention and good working conditions
- Installation of security cameras at the Public Housing complexes
- Cybersecurity (backup and storage)
- Aligning with Priority Area #6: Multigenerational engagement

FY22 Opportunities:

- Continue community engagement
- Demonstrate leadership
- Stormwater management plan
- Permitting software
- Aligning with Priority #1: Talent/Compensation Management

Priority Area 4: Infrastructure

Successes:

- Phase 2 water and sewer rehabilitation projects
- HVAC replacement – EE Waddell Center
- Additional funds for street paving
- Downtown sidewalks
- Utility pole inspections
- Downtown parking plan
- Public Housing door project
- Acquisition of bucket truck
- New Police Department Headquarters building
- SCADA

FY22 Opportunities:

- Phase 3 water and sewer rehab projects
- Bubble diffusion system wastewater treatment plant
- Phase 2 parking lot at EE Waddell Center
- Stormwater management plan
- Increase street paving
- North 3rd Street old Fire Department building
- Fleet maintenance facility
- Wiscassett facility
- Family Life Center

Priority Area 5: Community and Economic Development

Successes:

- Pfeiffer opening
- Enforge expansion
- Global Packaging expansion
- Jobs and growth
- Housing/apartment growth
- Retail growth/revenue
- ABC design completed

FY22 Opportunities:

- ABC Park development
- Downtown strategic plan
- 24/27 retail strategic plan
- Business expansion and retention programs
- Spec building program

- Hampton Inn
- Workforce training/Stanly County Community College & Pfeiffer University
- Historic Resources Commission guidelines review
- Ingram Park development
- Albemarle Hotel
- Housing development
- Rehabilitation, demolition, reuse of abandoned/empty buildings
- Main Street Program enhancements

Priority Area 6: Multi-Generational Engagement

Successes:

- Food Truck Fridays
- Downtown walking routes
- Alleyway project
- Pfeiffer University downtown campus
- Gigabyte/internet partnership with Windstream
- CTC-RCP

FY22 Opportunities:

- Public art and entertainment
- Playgrounds
- Downtown amphitheater/park
- Multi-generational housing all over city
- Virtual learning (Public Housing)
- Increase use of amphitheater at City Lake Park
- Other uses – Wiscassett Park
- Increase non-fast food restaurants in city limits

After the report out Ms. Gardner wrapped up the meeting by highlighting the topics to be discussed at the next day's session.

Upon a motion by Councilmember Bramlett, seconded by Councilmember Whitley, unanimously carried, the meeting was adjourned until Tuesday, November 10, 2020 at 4:00 p.m. in Stanly County Senior Center.